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16 AUG 1974

MEMORANDUM FOR: Chief, Management Staff, DD/I
Chief, Plans Staff, DD/O
Acting Chief, Plans Staff, DD/M&S
Comptroller, DD/S&T

SUBJECT : Agency Review of the Property Procurement
Allotment (PPA) Property Requisitioning
Authority (PRA) System

1. The PPA/PRA system, the management procedure that enables operating components to budget for centrally procured materiel inventories, has been in existence for about 15 years. Since inception of the system the Agency has undergone many program, philosophical, and physical changes and the PPA/PRA system has been modified and amended. As a result, PPA/PRA is a remnant of the originally designed and applied system rather than one that is consciously and specifically designed to meet the present day needs of the Agency.

2. During recent years more and more questions have been raised about the system, and reductions in manpower have required continuous review of traditional manpower commitments. Against this background the Office of Logistics (OL) prepared a study of the PPA/PRA and alternative systems (copy attached). This study was forwarded to the Comptroller and Director of Finance for their review and further examination, in concert with OL, for the purpose of confirming the continued validity of the current PPA/PRA system or of recommending change.

3. As the first step in organizing the joint review, there has been established a PPA/PRA Review Working Group comprised of O/Compt, OF, and OL representatives. This working group will examine in detail the implications of the optional systems on Agency policy, procedures, efficiency, and effectiveness for the purpose of gauging relative merits on which to base a recommendation.

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4. The second organizational step is creation of a contact group of directorate representatives to serve as a consultant panel to this PPA/PRA Review Group. This is in recognition that without contributions from the operating components justice cannot be done to any review of the Agency's systems for management of funds and property in which all components are involved. This memorandum, therefore, requests your cooperation in this effort and the appointment of a representative from your directorate, such as the senior budget officer, to serve as a consultant in those areas having an especial impact on your components.

5. The PPA/PRA Review Group hopes to be able to meet with the directorate representatives early next week. Therefore, it will be appreciated if you will have your representative contact [redacted] C/B&FB/EO/OL, extension [redacted], for the purpose of coordinating the scheduling of this initial meeting.

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/s/ Michael J. Malanick
Michael J. Malanick
Director of Logistics

Att

cc: DD/PS/OF, wo/att
C/MSG/OCompt, wo/att

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